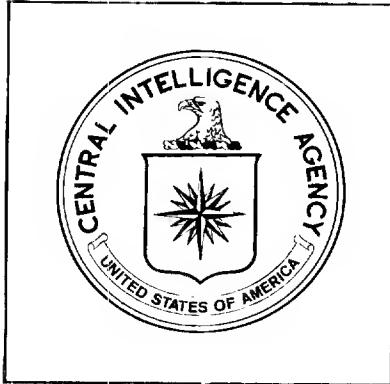


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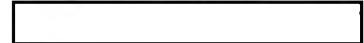
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STAFF NOTES:

Soviet Union Eastern Europe

State Dept. review completed

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SOVIET UNION - EASTERN EUROPE

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CEMA-EC: Three Stage Approach

In the wake of the unsuccessful CEMA-EC meeting last February, the Soviets are floating a trial balloon for a three-stage approach to establishing links between the two economic groups.

During the first stage, according to Bulgarian Deputy Premier Lukhanov, the EC Commission and the CEMA secretariat would agree on the main principles of trade between the two economic organizations, including such matters as most-favored-nation status. In the second stage, agreements on specific projects could be concluded between groups of countries from each economic bloc. Only in the third stage would individual CEMA states be allowed to conclude agreements with the EC Commission, and these agreements, the Bulgarian implied, would be highly technical.

The US embassy in Moscow believes that the Soviet proposal was presented at the meeting of the CEMA executive committee in late April. Some members are said to have objected, however, and further discussion was deferred until the meeting of the government leaders of the CEMA countries that reportedly will be held in late June in Budapest. Clearly, the anticipated renewal of the CEMA-EC talks--slated for Brussels--will be delayed at least until after this session.

The Bulgarian's claim that he spoke for the "majority" of CEMA members suggests that there are differences within the Eastern economic bloc over the merits of the Soviet proposal. The Romanians would be likely to reject such a scheme outright as an unwarranted encroachment on their sovereignty. The Hungarians may also have reservations, but for different reasons. Budapest's recent decision to negotiate a textile agreement with the EC Commission (*Staff Notes*, May 16) suggests that the Hungarians

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have qualms about waiting a long time to get the specific benefits of technical agreements. The Romanians undoubtedly would support this view. Other East Europeans may share the Hungarian concerns, although there is no reporting to this effect.

Even if the CEMA countries could agree on the Soviet proposal or a variant, the European Communities are likely to reject it out of hand. EC Commissioner Soames told the Bulgarian that such a scheme was contrary to detente, and would lead to a purely bloc-to-bloc approach. His assertion that small CEMA countries should be able to conclude agreements with the EC Commission without "fear of force" is said to have angered the Bulgarian.

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Grlichkov Mission to Moscow Fails

The high-level Yugoslav party emissary who went to Moscow last week to discuss differences over documents to be endorsed by the European Communist Conference got a sympathetic hearing from the Soviets, but no concessions.

Aleksandr Grlichkov, the Yugoslav party's specialist in international relations, talked with CPSU secretaries Ponomarev and Katushev during his three-day stay in Moscow. According to a Yugoslav journalist, Grlichkov said after the talks that although the Soviets were "understanding" about Yugoslav objections, they were unwilling to suggest any compromises.

Grlichkov left for Moscow amid signs of increasing Yugoslav disillusionment with preparations for the conference. He said that his primary goal was to "cancel" the existing draft documents, which Belgrade considers offensive, and to argue for a return to bilateral consultations.

The Yugoslav correspondent stressed that Yugoslavia is not eager to take a leading role in boycotting the conference. The communique from the Grlichkov visit--which merely says the talks took place in a "warm, friendly atmosphere of mutual understanding"--suggests that Belgrade is still unwilling to go public with an ultimatum threatening to stay away.

The next phase of preparations is set for June. Grlichkov is currently in Bucharest, presumably to exchange views with the independent Romanians before the Yugoslav's make a final decision on whether to participate.

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M. V. Keldysh Steps Down as President
of the USSR Academy of Sciences

On May 19 Mstislov V. Keldysh stepped down from the presidency of the USSR Academy of Sciences because of ill health. It was announced at the general meeting of the academy that Vice President V. A. Kotelnikov will serve as acting president, apparently until elections to the academy Presidium are held in November.

Despite his recurring serious health problems, Keldysh served for nearly 14 years as academy President. He was instrumental in reorganizing the academy in May 1963, when a new charter resulted in extensive alterations in its structure and responsibilities. Since then, he has overseen the establishment of a large number of new research institutes, technical schools, and large-scale scientific research centers and has actively promoted scientific and technical co-operation between the USSR and foreign countries including the US. Keldysh has been a CPSU member since 1949 and a full member of its Central Committee since 1961. He remains a member of the academy Presidium.

Keldysh has been a skillful mediator between the political leadership and the scientific community. He has pleased the leadership by maintaining discipline in the academy and enforcing the regime's ideological standards, while retaining the respect of less conservative intellectuals by his occasional indulgence of liberal views. He has won scientists' support by protecting basic research, and on this score there may be some dissatisfaction among political leaders. Complaints abound concerning deficiencies in applied research and the poor use of scientific achievements in industry. Politburo member Kirilenko recently criticized the "somewhat rigid structure of scientific organizations."

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On balance, however, the leadership has reason to regret Keldysh's stepping down. Speaking at the academy meeting, Politburo member Suslov said that the Central Committee had turned aside past requests by Keldysh to be relieved of his duties and had persuaded him to continue in his post. Now, having approved his departure, the leadership is procrastinating on a replacement. Suslov explained that the term of office of the present Presidium of the academy will be extended to November so it can oversee the celebration of the academy's 250th anniversary in October. This adds to the picture of drift in appointments and policy in other areas related to culture, propaganda, and the economy. Maneuvering for top posts in the academy will continue, and the leadership will have to turn to the problem again in the months ahead.

It is unlikely that the leadership will authorize a full four-year presidential term for the 66-year-old Kotelnikov who became an acting vice president of the USSR Academy of Sciences (in charge of the Section of Physico-Technical and Mathematical Sciences) in July 1969. Formally elected to the position in March 1970, Kotelnikov has served, on occasion, as acting president of the academy during the illness of President Keldysh. An accomplished radio engineer and academician since 1953, Kotelnikov became director of the Institute of Radio Engineering and Electronics in 1954. Like Keldysh, he is a member of the CPSU Central Committee.

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Sholokhov's Don Anything but Quiet

The Soviet cultural establishment is disdainfully brushing aside the noisy controversy over Mikhail Sholokhov's authorship of the Nobel prize winning novel *And Quiet Flows the Don*, and is pressing ahead with celebrations of the writer's 70th birthday on May 25. With an eye on another Nobel laureate, exiled writer Aleksandr Solzhenitsyn, the regime will implicitly drive home the point that not all internationally acclaimed Soviet writers are anti-regime rebels.

Konstantin Simonov, a prominent establishment novelist, has said that charges of plagiarism were first leveled at Sholokhov immediately after the *Don* was published in the late 1920s and that his current accusers have "revived the corpse of this lie." Among those who have questioned Sholokhov's authorship of the *Don*--which deals with the life of the Cossacks during and after World War I--are Solzhenitsyn and dissident historian Roy Medvedev. The latter has written a lengthy study which questions whether Sholokhov, who was 23 when the novel was published, could have had the breadth of vision that the novel reflects. Solzhenitsyn has long claimed that the *Don* is really a doctored version of a work by a leftist Cossack officer who died in 1920.

Sholokhov himself has been silent on the controversy, letting his establishment colleagues speak for him. In the eyes of Western critics, his personal wit, occasional public criticism of Soviet literature as a "gray flood of colorless mediocrity," and sporadic brushes with censors have tended to balance his role as a regime favorite and occasional hatchet man. The 1965 Nobel citation described him as "one of the outstanding writers of our time."

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The anniversary celebrations, which are under the aegis of a jubilee committee that began planning as early as last December, will culminate this weekend at the Bolshoi Theater. Sholokhov's challengers will be tempted to renew their charges against him, if only to counter the expected flood of official praise.

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Poland Borrows Again To
Develop Copper Resources

Poland received a \$240-million Eurodollar loan for the development of copper deposits in the Lubin-Glogow basin last week. The seven-year loan, offered by a consortium of Western banks chaired by Chase Manhattan Bank of London, is the largest ever raised by an East European country on the Euro-currency markets.

In February 1974, Poland received a \$20-million Export-Import Bank credit to support the purchase of \$55-million worth of copper processing equipment from a US company. A \$100-million loan for copper resource development was extended by a consortium of US and Canadian banks last October. [redacted]

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